

STATE OF WEST VIRGINIA OFFICE OF THE ATTORNEY GENERAL DARRELL V. MCGRAW, JR. CONSUMER PROTECTION DIVISION 1-800-368-8808 or 304-558-8986

Press Release

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ATTORNEY GENERAL DARRELL V. McGRAW, JR. SETTLES PRICE-FIXING CHARGES AGAINST VITAMIN MANUFACTURERS: WEST VIRGINIA RECEIVES \$1.9 MILLION

Attorney General Darrell V. McGraw, Jr., today announced that final approval of a settlement has been granted, settling a historic price-fixing case against top vitamin manufacturers, bringing approximately \$1.9 million to the State of West Virginia to improve the health and nutrition of West Virginians.

West Virginia, twenty-one other states, Puerto Rico and the District of Columbia agreed to settle antitrust charges against six of the world's largest vitamin manufacturers. The manufacturers agreed to pay up to \$225,000,000 for fixing the prices and controlling the sale of vitamins and vitamin products. The antitrust conspiracy resulted in consumers and businesses paying an extra quarter of a billion dollars for products over the past decade. Twenty-one jurisdictions have now received final approval of the settlement.

Of the approximately two million dollars that West Virginia will receive as its share of the settlement, Attorney General McGraw announced that the funds would be split, with \$1 million being given to the Department of Health and Human Resources to fund an oral and dental health program for adults moving back into the workforce. The Department of Health and Human Resources will be able to draw down federal matching dollars to boost the overall program to \$4 million.

The remaining amount of the recovery, approximately \$845,000, will be distributed through a grant process. The Attorney General's office will receive grant applications from charitable and non-profit organizations desiring money to fund programs to improve the health or nutrition and/or dietary, nutritional or agricultural sciences in West Virginia. Applications for the grants are available from the Attorney General's office and from this web site. It is anticipated that funding of the grants will commence later this fall. A committee has been formed by the Attorney General's office to select the grants. Members of the committee are Ann Dacey, Senior Program Coordinator for Outreach, West Virginia University School of Medicine, Department of Obstetrics and Gynecology, of Monongalia County; Elaine Harris, International Representative, Communication Workers of America, of Kanawha County; Jennifer Plymale, Director of the Robert C. Byrd Center for Rural Health, Joan C. Edwards School of Medicine, Marshall University, of Cabell County; Michael Hagg, Executive Vice President of Operations, Hancock County Sheltered Workshop, of Hancock County; and Sheila Hamilton, Parts Distribution Technician with General Motors, and member of the State Board of Education, of Jefferson County.

Attorney General McGraw said, "This is an outstanding example of what vigorous antitrust enforcement can do for the citizens of West Virginia. Nearly five million dollars will be brought to West Virginia to benefit both consumers and critical health and nutritional needs."

The settlement with the six vitamin manufacturers – Hoffman-LaRoche, BASF Corporation, Aventis Animal Nutrition SA, Takeda Chemical, Eisai Co. Ltd., Daiichi Pharmaceutical Co. Ltd. – is the largest ever under State law that permits consumers

and businesses to recover damages for price-fixing overcharges even though they did not buy a product directly from the price fixers.

The vitamins made by these companies were used in a wide variety of every day products including milk, bread, cereal, juices, baby food, pet food, dietary supplements and beauty products such as lipstick and hair care products. Charitable and non-profit organizations are thus encouraged to submit a grant application that will serve a significant number of West Virginians. The Attorney General's office seeks applications from programs that promote food banks, oral and dental healthcare, prenatal and child health nutrition and nutrition programs for traditionally under-served populations. Applicants may contact the committee members or the Attorney General's office at 1-800-368-8808 or they can download the application from this web site.

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